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14 Attorneys for Plaintiff/Counterclaim Defendant
15 NATERA, INC.

16 UNITED STATES DISTRICT COURT
17 NORTHERN DISTRICT OF CALIFORNIA
18 SAN FRANCISCO DIVISION

19 NATERA, INC.,

20 Plaintiff,

21 vs.

22 SEQUENOM, NC. and ISIS INNOVATION
23 LIMITED,

24 Defendants.

25 AND RELATED COUNTERCLAIMS.
26

CASE NO. 12-CV-00132-SI

**NATERA, INC.'S ANSWER TO
COUNTERCLAIMS OF SEQUENOM,
INC.**

Plaintiff and Counterclaim-Defendant Natera, Inc. ("Natera"), by and through its undersigned attorneys of record, hereby responds to the Answer and Counterclaims of Defendant and Counterclaim-Plaintiff Sequenom, Inc. ("Sequenom") filed on April 18, 2012 (Dkt. No. 40) as follows:

1. Natera admits that this action purports to be an action for patent infringement arising under the patent laws of the United States for infringement of U.S. Patent No. 6,258,540 ("the '540 Patent"). Natera denies that there is any basis in law or fact for Sequenom's action for patent infringement with regard to Natera. With regard to any other allegations contained in Paragraph 1, Natera lacks sufficient information to admit or deny the allegations, and on that basis denies each and every allegation of Paragraph 1 of the Counterclaims not expressly admitted.

2. Natera lacks sufficient information to admit or deny the allegations of Paragraph 2, and on that basis denies each and every allegation of Paragraph 2 of the Counterclaims.

3. Natera admits that it is a Delaware corporation. Natera admits that it had a principal place of business at 2686 Middlefield Road, Redwood City, California 94063 until April 2012 when Natera moved its principal place of business to 201 Industrial Rd., Suite 410, San Carlos, CA 94070. Except as expressly admitted, Natera denies the allegations of Paragraph 3 of the Counterclaims.

4. Natera admits that it conducts business in this Judicial District. Natera denies that it uses, offers for sale, and/or sells any process that infringes a valid and enforceable claim of the '540 Patent. Except as expressly admitted, Natera denies the allegations of Paragraph 4 of the Counterclaims.

5. Natera lacks sufficient information to admit or deny the allegations of Paragraph 5, and on that basis denies each and every allegation of Paragraph 5 of the Counterclaims.

6. Natera lacks sufficient information to admit or deny the allegations of Paragraph 6, and on that basis denies each and every allegation of Paragraph 6 of the Counterclaims.

1 allegations of Paragraph 14 of the Counterclaims.

2 15. Natera lacks sufficient information to admit or deny the allegations of Paragraph
3 15, and on that basis denies each and every allegation of Paragraph 15 of the Counterclaims.

4 16. The term “founded” as used in Paragraph 16 is vague and ambiguous. Natera
5 admits that it began operations in 2004; Natera denies that it was incorporated in 2004. Natera
6 admits that it was previously known as Gene Security Network, Inc. Natera admits that as of
7 April 18, 2012, Natera operated a laboratory in Redwood City, California; later in April 2012,
8 Natera moved its laboratory operations to San Carlos, California. Natera admits that it offers
9 services including non-invasive prenatal paternity testing to determine paternity. Natera admits
10 that it performs non-invasive prenatal aneuploidy testing by analyzing fetal DNA in a pregnant
11 mother's blood drawn during pregnancy. Natera denies that it currently offers non-invasive
12 prenatal aneuploidy testing services. Except as expressly admitted, Natera denies the allegations
13 contained in Paragraph 16 of the Counterclaims.

14 17. Natera admits that as of April 18, 2012, its website stated that "Natera now
15 provides non-invasive prenatal paternity testing." Except as expressly admitted, Natera denies the
16 allegations of Paragraph 17 of the Counterclaims.

17 18. Natera admits that it has sponsored trials of its non-invasive aneuploidy testing.
18 Natera admits that as of April 18, 2012, its website referenced several clinical trials and stated:
19 "PreNATUS (Prenatal Non-invasive Aneuploidy Testing Using SNPs) – This is a prospective
20 blinded trial to validate clinical use of Parental Support™ technology to detect genetic
21 abnormalities (including Down Syndrome) from free floating fetal DNA found in maternal blood
22 during pregnancy." Except as expressly admitted, Natera denies the allegations of Paragraph 18 of
23 the Counterclaims.

24 19. Natera admits that as of April 18, 2012, its website stated: "Non-invasive Prenatal
25 Diagnosis Validation – This is a retrospective trial to validate use of Parental Support technology
26 to detect a broad group of chromosome abnormalities (including microdeletions) from free
27 floating fetal DNA found in maternal blood during pregnancy. This study is actively recruiting
28 patients that are carrying a fetus diagnosed with any chromosome abnormality by amniocentesis or

1 CVS. Patients can participate by contacting Natera directly at info@natera.com." Except as
2 expressly admitted, Natera denies the allegations of Paragraph 19 of the Counterclaims.

3 20. Natera denies that it uses, offers for sale, and/or sells any process that infringes a
4 valid and enforceable claim of the '540 Patent.

5 21. Natera admits that it is using, selling and/or offering to sell its non-invasive
6 prenatal paternity testing in the United States, including this District. Natera admits that it is using
7 its non-invasive prenatal aneuploidy testing in the United States, including this District. Natera
8 denies that it is selling or offering to sell its non-invasive prenatal aneuploidy testing in the United
9 States. Except as expressly admitted, Natera denies the allegations of Paragraph 21 of the
10 Counterclaims.

11 22. Natera admits that it has entered into relationships with DDC and others whereby
12 DDC and/or others market Natera's non-invasive prenatal paternity testing services. Natera denies
13 that it has encouraged DDC or others to practice Natera's non-invasive prenatal paternity testing
14 methods. Natera admits that as of April 18, 2012, its website stated: "If you are a patient seeking
15 non-invasive paternity testing please contact the appropriate partner below. ... For the U.S. and
16 Canada: <http://www.dnacenter.com/paternity/prenatal-testing.html>." Natera denies that its non-
17 invasive prenatal paternity testing to determine paternity by analyzing fetal DNA in a pregnant
18 mother's blood drawn during pregnancy infringes any methods claimed by a valid and enforceable
19 claim of the '540 Patent. Except as expressly admitted, Natera denies the allegations of Paragraph
20 22 of the Counterclaims.

21 23. Natera admits that DDC has partnered with Natera to offer a non-invasive prenatal
22 paternity test. With regard to the other allegations of Paragraph 23, Natera lacks sufficient
23 information to admit or deny the allegations of Paragraph 23, and on that basis denies each and
24 every other allegation of Paragraph 23 of the Counterclaims.

25 24. To the extent that "DDC's non-invasive prenatal paternity testing" is Natera's non-
26 invasive prenatal paternity testing, Natera denies that its testing uses any method claimed in a
27 valid and enforceable claim of the '540 Patent. Except as expressly admitted, Natera lacks
28 sufficient information to admit or deny the allegations of Paragraph 24, and on that basis denies

1 each and every allegation of Paragraph 24 of the Counterclaims.

2 25. Natera lacks sufficient information to admit or deny the allegations of Paragraph
3 25, and on that basis denies each and every allegation of Paragraph 25 of the Counterclaims.

4 **COUNT 1**

5 **(Infringement of United States Patent No. 6,258,540 by Natera)**

6 26. Natera admits that Sequenom has re-alleged the allegations stated in paragraphs 1-
7 35 of Sequenom's Answer and paragraphs 1-25 of Sequenom's Counterclaims. Natera hereby
8 incorporates its responses to Paragraphs 1-25 of Sequenom's Counterclaims.

9 27. Natera denies that it uses, offers for sale, and/or sells any process that infringes a
10 valid and enforceable claim of the '540 Patent.

11 28. Natera denies that it uses, offers for sale, and/or sells any process, or knowingly
12 encourages others to use, offer for sale, and/or sell in the United States any Natera non-invasive
13 prenatal paternity testing or Natera non-invasive prenatal aneuploidy testing that infringes a valid
14 and enforceable claim of the '540 Patent. Natera therefore denies that it has indirectly infringed,
15 or that it does indirectly infringe, the '540 Patent.

16 29. Natera denies that it uses, offers for sale, and/or sells any process that infringes a
17 valid and enforceable claim of the '540 Patent. Natera further denies that it has intentionally,
18 deliberately, or willfully infringed the '540 Patent.

19 30. Natera denies that it uses, offers for sale, and/or sells any process that infringes a
20 valid and enforceable claim of the '540 Patent. Natera further denies that it will infringe the '540
21 Patent unless enjoined by the Court.

22 **COUNT 2**

23 **(Infringement of United States Patent No. 6,258,540 by DDC)**

24 31. Natera admits that Sequenom has re-alleged the allegations stated in paragraphs 1-
25 35 of Sequenom's Answer and Paragraphs 1-30 of Sequenom's Counterclaims. Natera hereby
26 incorporates its responses to Paragraphs 1-30 of Sequenom's Counterclaims.

27 32. Natera denies that DDC uses, offers for sale, and/or sells any process provided by
28 Natera that infringes a valid and enforceable claim of the '540 Patent. Except for the foregoing

1 denial, Natera lacks sufficient information to admit or deny the allegations of Paragraph 32, and
2 on that basis denies each and every allegation of Paragraph 32 of the Counterclaims.

3 33. Natera lacks sufficient information to admit or deny the allegations of Paragraph
4 33, and on that basis denies each and every allegation of Paragraph 33 of the Counterclaims.

5 34. Natera lacks sufficient information to admit or deny the allegations of Paragraph
6 34, and on that basis denies each and every allegation of Paragraph 34 of the Counterclaims.

7 **PRAYER FOR RELIEF**

8 Sequenom's prayer for relief requires no response. To the extent that any response is
9 required, Natera denies that it has infringed any valid and enforceable claim of the patent-in-suit
10 and denies that Sequenom is entitled to any relief whatsoever from Natera, either as requested or
11 otherwise. Natera further denies any and allegations related to Natera contained in the
12 Counterclaims to which Natera has not specifically responded.

13 **DEMAND FOR JURY TRIAL**

14 Natera admits that Sequenom has requested a trial by jury on all issues so triable pursuant
15 to Federal Rule of Civil Procedure 38(b) and Civil Local Rule 3-6(a).

16 **AFFIRMATIVE DEFENSES**

17 Natera alleges and asserts the following defenses in response to the allegations of the
18 Counterclaims, without undertaking or otherwise shifting any applicable burdens of proof. In
19 addition to the affirmative defenses described below, Natera specifically reserves all rights to
20 allege additional affirmative defenses that become known through the course of investigation and
21 discovery.

22 **FIRST AFFIRMATIVE DEFENSE**

23 **(Non-Infringement)**

24 Natera has not infringed, and does not infringe, directly, contributorily, or by inducement,
25 any valid, enforceable, properly construed claim of the '540 Patent, either literally or under the
26 doctrine of equivalents.

SECOND AFFIRMATIVE DEFENSE**(Invalidity)**

Natera alleges and assert that, after a reasonable opportunity for further investigation and/or discovery, it will be able to demonstrate that the claims of the '540 Patent are invalid under one or more requirements of the patent laws of the United States, including but not limited to the provisions of Title 35, United States Code §§ 101, 102, 103, and/or 112.

THIRD AFFIRMATIVE DEFENSE**(No Willful Infringement)**

Natera has not willfully infringed any valid, enforceable claim of the '540 Patent.

FOURTH AFFIRMATIVE DEFENSE**(Laches)**

Natera alleges and asserts that all or some of Sequenom's claims are barred by the doctrine of laches.

FIFTH AFFIRMATIVE DEFENSE**(Equitable Estoppel)**

Natera alleges and asserts that all or some of Sequenom's claims are barred, in whole or in party, by the doctrine of equitable estoppel.

SIXTH AFFIRMATIVE DEFENSE**(Not Exceptional Case Against Natera)**

Sequenom has not alleged any basis for and cannot prove that this is an exceptional case that would justify any award of attorney fees against Natera pursuant to 35 U.S.C. § 285.

SEVENTH AFFIRMATIVE DEFENSE**(Damages Limited by Statute)**

Sequenom's claim for damages is statutorily limited under 35 U.S.C. § 286 and/or §287.

1 DATED: May 9, 2012

THOMAS WHITE LAW & KATZ LLP

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3 By: /s/ W. Paul Schuck
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6 Attorneys for Plaintiff/Counterclaim Defendant
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